

Exhibit 18

1 IN THE UNITED STATES DISTRICT COURT
2 FOR THE NORTHERN DISTRICT OF OHIO
3 EASTERN DIVISION

4 IN RE: NATIONAL PRESCRIPTION) No. 17-md-2804
5 OPIATE LITIGATION) MDL NO. 2804
6)
7 APPLIES TO ALL CASES) Hon. Dan A. Polster
8)

9 HIGHLY CONFIDENTIAL - SUBJECT TO FURTHER
10 CONFIDENTIALITY REVIEW

11 VIDEO DEPOSITION OF KEVIN VORDERSTRASSE

12 December 5, 2018
13 9:12 a.m.

14 Reporter: John Arndt, CSR, CCR, RDR, CRR
15 CSR No. 084-004605
16 CCR No. 1186

1 smallest the team has been four.

2 Q. So in other words, there were seven or
3 eight people at its peak that were primarily
4 responsible for marketing Mallinckrodt's generic
5 opioids?

6 A. Seven or eight people who were primarily
7 responsible for direct contact with wholesaler and
8 pharmacy chain customers and negotiating agreements
9 with those customers.

10 Q. So -- and thank you for that answer. So
11 then is it fair to say when we're talking about
12 generics the primary way in which Mallinckrodt was able
13 to gain the market share that we were discussing before
14 was through its negotiations and communications with
15 distributors and pharmacies?

16 A. So in general terms, generic products,
17 whether opioid or non-opioid, are sold primarily based
18 upon price and also based upon quality and service, so
19 ability to supply, ability to supply consistently with
20 high-quality product is essential for generic
21 companies, but as near commodity products, ultimately
22 the price is often a deciding -- a key deciding factor
23 for wholesalers and pharmacy chains.

24 Q. And so with respect to the price,

1 isolating that separate and apart from quality and
2 service, was there any type of marketing done to --
3 directly to the pharmacies or distributors with respect
4 to Mallinckrodt products, or was it simply a price that
5 Mallinckrodt set and you had distributors essentially
6 take it or leave it?

7 A. The prices for our products were always
8 negotiated between Mallinckrodt and the distributor or
9 wholesaler or the pharmacy chain.

10 Q. And as you alluded to earlier, the primary
11 responsibility for the negotiation of these prices
12 rested with the national account managers; is that
13 correct?

14 A. National account managers were primarily
15 responsible for the negotiation effort. The product
16 management team was responsible for reviewing and
17 approving any prices that were offered and processing
18 that price through our contracting systems.

19 Q. And how did Mallinckrodt divide up these
20 negotiations with distributors and wholesalers? In
21 other words, let me ask it a different way. Was there
22 any distinction done by region with respect to the
23 negotiations Mallinckrodt had with respect to prices
24 vis-à-vis the distributors and the pharmacies?

1 you were manufacturing? Is that fair to say?

2 A. Well, we communicated about our business
3 relative to how we ran the business, how we managed the
4 business, to help customers understand that the
5 products that they purchased from us would meet the
6 quality standards and would be supplied at the time
7 frame that they needed that product. So if a
8 wholesaler placed an order with us, we wanted them to
9 be confident that they were going to get that order
10 when they wanted it.

11 Q. Did Mallinckrodt do any marketing with
12 respect to the risks of its generic marketing or
13 generic opioid products?

14 A. For any product-specific marketing
15 materials that we put together for our generic
16 products, opioid or not, any warning information, risk
17 information that was included in the FDA-approved
18 labeling materials was included in the marketing
19 materials, and those materials were always reviewed to
20 ensure that they were current.

21 Q. And outside of the FDA-approved labeling
22 materials, was there any other additional marketing
23 materials that Mallinckrodt provided with respect to
24 its generic products?

1 A. Mallinckrodt never provided
2 product-specific marketing materials for our generic
3 products which contained any information other than
4 what was approved relative to the product or what was
5 specific to our company.

6 Q. Turning back to the sales reps that
7 Mallinckrodt utilized for purposes of its brand
8 products, approximately how many sales reps did
9 Mallinckrodt employ over the relevant time period with
10 respect to its branded opioids?

11 A. So relevant to branded opioids, at the
12 smallest that sales team was approximately 50 reps and
13 at its largest was about 200.

14 Q. And earlier we talked about Exalgo.
15 Approximately how many reps did Mallinckrodt utilize
16 with respect to marketing Exalgo from the 2009 through
17 2014 -- or was it 2015 that it discontinued?

18 A. I believe 2014 was when we discontinued
19 marketing efforts.

20 Q. So let me start so the record is clear.
21 So from the 2009 to 2015 time period how reps -- sales
22 reps did Mallinckrodt utilize to market Exalgo?

23 MR. TSAI: I'm going to object to the
24 form.